

Exhibit 312

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF ALABAMA
3 SOUTHERN DIVISION
4

5 IN RE: BLUE CROSS BLUE SHIELD
6 Master File No. 2:13-CV-20000-RDP
7 ANTITRUST LITIGATION
8 MDL NO. 2406
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12 VIDEO DEPOSITION OF
13 KEVIN M. MURPHY, PH.D.
14 Hilton Chicago O'Hare Airport
15 10000 West O'Hare Avenue
16 Chicago, Illinois 60666
17 July 22, 2017
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22 REPORTED BY: Laura H. Nichols
23 Certified Realtime Reporter,
24 Registered Professional
25 Reporter and Notary Public

1 different if I'm coming into a new area as opposed
2 to, say, being in the area already or growing on
3 the areas I already have locally.

4 Q. Well, let me ask you a follow-up
5 question about California. Do you have an opinion
6 as to whether Blue Cross of California and Blue
7 Shield of California have high quality networks in
8 California?

9 A. I have not formed a specific opinion
10 on that. Again, it's something that could be
11 evaluated and something you could look at going
12 forward. Again, I'm not sure that is that
13 informative about the ESA question because, again,
14 it's about historical but probably still something
15 you could look at and something you might look at
16 as part of a further analysis.

17 Q. A number of times in your report, you
18 used the term "local focus." What do you mean by
19 local focus?

20 A. I think the -- there's a couple of
21 aspects to it that are important. One is a high
22 level of experience in the local marketplace, that
23 you know the local marketplace, you have
24 longstanding relationships with many of the
25 provider side and a longstanding relationship with

1 many of the customers in that local area.

2 And as such, it's natural for you, as
3 an economic matter, to say I want to take advantage
4 of that, I want to utilize that historical position
5 I have and focus on serving those customers well.
6 Because as long as I can serve them well and do a
7 good job, I'm going to have a good chance to
8 maintain those customers, because I have the
9 resources in place.

10 The other is, if this is where my --
11 I can expand, that I can grow in this area, I have
12 an incentive to devote my resources to that area.
13 That's saying, you know, it's the reason why people
14 often have a local distributor and they say this
15 is -- you know, you're going to distribute in this
16 area; develop the market. Go out and find more
17 customers for my product or your product or
18 whatever it is. That's what you mean by local
19 focus, as opposed to saying you're focused on
20 selling anywhere and everywhere.

21 Q. Let's turn to the other side that you
22 talked about, the national side of it. And under
23 the BlueCard program, as we discussed earlier, the
24 providers have to deal with the coverage rules of
25 all the different Blues, which may vary from Blue